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No. 82-1484

IN THE

Supreme Court of the United States

OCTOBER TERM, 1982

CORDIS CORPORATION,

Petitioner,

v.

CARDIAC PACEMAKERS, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE EIGHTH CIRCUIT

BRIEF FOR RESPONDENT IN OPPOSITION

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OPINIONS BELOW

The citations to the opinions below are adequately set forth in the Petition.

JURISDICTION

The jurisdictional requisites are adequately set forth in the Petition.

QUESTION PRESENTED

Whether a prior invention by another, as defined by 35 U.S.C. 102(g), is "prior art" within the meaning of 35 U.S.C. §103.

STATUTE INVOLVED

The pertinent portions of the Patent Act of 1952 (35 U.S.C. §§102, 103) are set forth in the Appendix to the Petition at pp. 17-18.

STATEMENT OF THE CASE

Petitioner asserts that Respondent infringes its patent. At the time the application for Petitioner's patent was filed, the named inventors believed that they were the first to develop the claimed device. An equivalent device, however, had previously been invented by a Mr. Wingrove. Mr. Wingrove did not apply for a patent on his invention until after the application for Petitioner's patent had been filed.

Although the devices of Wingrove and Petitioner were not identical, the District Court specifically found that the Wingrove work was equivalent to the device claimed in Petitioner's patent. Thus, the Court concluded that the Wingrove work anticipated the claims of Petitioner's patent within the meaning of 35 U.S.C. §102(g). Accordingly, the District Court found Petitioner's patent to be invalid. The Court of Appeals affirmed the finding of anticipation.

In addition, the District Court found that even if the claims of Petitioner's patent had not been anticipated within the meaning of 35 U.S.C. §102(g), the differences between the prior art and the subject matter of Petitioner's patent as a whole would have been clearly obvious to one with ordinary skill in the art. As such, the District Court found the patent invalid under 35 U.S.C. §103.

In making its conclusion of obviousness, the District Court looked to the Wingrove work and other prior art, the level of ordinary skill in the art, and the differences between the prior art and the claims of the patent. The Court of Appeals affirmed the

and the claims of the patent. The Court of Appeals affirmed the holding of obviousness, describing the District Court opinion as accurate, scholarly, and doing justice between the litigants.

ARGUMENT

I.

IN ORDER TO PROVIDE NATIONWIDE UNIFORMITY IN PATENT LAW, CONGRESS CREATED THE NEW COURT OF APPEALS FOR THE FEDERAL CIRCUIT AND EFFECTIVELY ELIMINATED ANY "CONFLICT BETWEEN THE CIRCUITS" ON PATENT QUESTIONS.

Petitioner asserts that the present case warrants review by this Court because of the importance of clarifying the patent statute. Petitioner also indicates that this Court should resolve a dispute existing between various Courts of Appeals and the Court of Customs and Patent Appeals over the meaning of the statute. (Petition at pp. 7-9.) Such arguments ignore the impact and congressional purpose of creating the United States Court of Appeals for the Federal Circuit (CAFC).

The CAFC, which came into existence on October 1, 1982, was formed by combining the Court of Customs and Patent Appeals and the Court of Claims. The CAFC assumed exclusive appellate jurisdiction over patent appeals from all federal district courts in order to "provide nationwide uniformity in patent law." *Court of Appeals for the Federal Circuit Act of 1981*, H.R. Doc. No. 312, 97th Cong., 1st Sess. at 20 (1981) [hereinafter cited as House Report].

> [T]he central purpose [of the CAFC] is to reduce the widespread lack of uniformity and uncertainty of legal doctrine that exist in the administration of patent law.
>
> . . . .

> [T]he uniformity in the law that will result from the centralization of patent appeals in a single court will be a significant improvement from the standpoint of the industries and businesses that rely on the patent system.

House Report at 23. Therefore, with respect to patent appeals, it cannot be said that there is any conflict among the regional circuits, since there is now a single circuit for handling patent appeals.

Petitioner seeks review of a decision of the U.S. Court of Appeals for the Eighth Circuit. This opinion, however, has no binding precedential value on any federal district court. Recognizing that district courts should no longer be bound by the body of patent law previously announced by the regional courts of appeals, the CAFC adopted as binding precedent the body of law represented by the holdings of its predecessor courts.

> Other than that created by our predecessor courts, no body of law established by any other court or set of courts would appear a suitable candidate for adoption....
>
> As a court of nationwide geographic jurisdiction, created and chartered with the hope and intent that stability and uniformity would be achieved in all fields of law within its substantive jurisdiction, we begin by adopting as a basic foundation the jurisprudence of the two national courts which serve not only as our predecessors, but as outstanding contributors to the administration of justice for a combined total of 199 years, the Court of Claims and the Court of Customs and Patent Appeals.

South Corp. v. United States, 690 F.2d 1368, 1371 (Fed. Cir. 1982). The CAFC, the only court of appeals having jurisdiction

over patent matters, has not yet spoken regarding the issues discussed in the Petition. Consequently, there are no pertinent decisions from, much less conflict among, the now-existing Courts of Appeals.

Petitioner would undermine the purpose behind creating the CAFC by seeking this Court's review of issues that have not yet been considered by the CAFC. Grant of such review would unnecessarily erode the opportunity for the CAFC to establish legal precedents for patent law (that are then subject to review by this Court). Moreover, such review would represent a wasteful misuse of judicial resources. Congress expressly recognized that "the merger of the courts [creating the CAFC] will relieve docket pressures both on the regional appellate courts and on the Supreme Court." House Report at 27.

II.

THE CENTRAL THEME OF THE PETITION FAILS TO RAISE AN ISSUE THAT CAN AFFECT THE OUTCOME OF THIS CASE.

Even if the CAFC did not exist, none of the "issues" set out as Questions Presented in the Petition warrant review by this Court. Petitioner states that the "central theme" of the Petition is that the Courts below should not have considered certain prior art in making a determination that Petitioner's patent was invalid for obviousness. (Petition at p. 7.) This issue is wholly irrelevant to the outcome of this case, however, because the Courts found that the patent was not only obvious (under 35 U.S.C. §103) but also anticipated (under 35 U.S.C. §102(g)).

The District Court found that the patent was invalid for anticipation under §102(g) and then added statements about the patent's obviousness as an addendum. (Appendix to Petition at A-15.) Even if the Courts did err in applying §103, the outcome of the case could remain unchanged, since the patent would still be invalid under §102.

III.

THE SECONDARY QUESTIONS RAISED IN THE PETITION REPRESENT ONLY FACTUAL DISPUTES.

At trial, Petitioner failed to call an expert witness to testify on the technical aspects of its case. Now, Petitioner disputes the factual findings made by the District Court which were based on the testimony of Respondent's expert witness and other evidence produced at trial. Such factual disputes do not warrant review by this Court.

For example, Petitioner suggests that the District Court misconstrued the §102 standards of anticipation; Petitioner also indicates that this issue is equivalent to the question of whether a prior invention, as defined by §102(g), is prior art within the meaning of §103. Respondent denies that the two issues are equivalent, but submits that the District Court and Court of Appeals understood the impact of stating that Petitioner's device was anticipated.

As shown in the opinion, the District Court reviewed extensive evidence about the Wingrove work and the patented device. (Appendix to Petition at pp. A-7 to A-10 and A-13 to A-15.) The record is more than sufficient to support the lower Court's conclusions that the patented device was both equivalent to, and an obvious modification of, prior art. This Court should not now burden itself in determining whether the District Court correctly noted the "major differences in construction" that Petitioner alleges to exist. (Petition at p. 10.)

Petitioner also argues that the District Court had an insufficient record regarding the level of skill in the art to make a determination of obviousness. Respondent submits that the District Court was correct in stating that Respondent "presented extensive expert testimony concerning ... the level of ordinary skill in the art" (Appendix to Petition at p. 9) and that the record

supports this finding. Such a dispute over the quantity of evidence received by the District Court is not appropriate for this Court's review.

IV.

OTHER DECISIONS AGREE THAT A PRIOR INVENTION, AS DEFINED BY §102, IS "PRIOR ART" WITHIN THE MEANING OF §103.

As previously indicated, the issue of whether a prior invention, as defined by 35 U.S.C. §102(g), is prior art within the meaning of 35 U.S.C. §103 will not affect the outcome of this case. Nonetheless, Petitioner states that this issue is the central theme of the Petition. Thus, the issue is stated as the Question Presented in this brief, and it is dealt with more fully below.

Even though the CAFC has not yet specifically addressed the issue of using art defined by 35 U.S.C. §102(g) in making a determination of obviousness under 35 U.S.C. §103, other courts have generally decided the matter correctly and consistently. The courts have agreed that the first inventor is entitled to a patent and that an obvious modification of a previous invention is unpatentable. More importantly, the courts have agreed that prior inventions that were not widely known about and that were not "abandoned, suppressed, or concealed" (as described by 35 U.S.C. §102(g)) may be used in order to determine the obviousness of a device under 35 U.S.C. §103.

This interpretation of §102(g) and §103 has been adopted both by the Court of Appeals for the Eighth Circuit, in the present case, as well as by the Court of Appeals for the Seventh Circuit, in *Sutter Products Co. v. Pettibone Mulliken Corp.*, 428 F.2d 639 (7th Cir. 1970). Even a book cited at page 7 of the Petition, F. Robbins, The Defense of Prior Invention, Patent

Infringement Litigation at 141 (Practising Law Institute 1977), confirms that this is the correct construction of the holding in *Sutter Products*.

Moreover, the Court of Appeals for the Ninth Circuit has implicitly adopted a similar view. The court affirmed a decision holding that prior art that is not readily available may be used in a determination of obviousness under 35 U.S.C. §103. *Norris Industries, Inc. v. Tappan Co.*, 193 U.S.P.Q. 521, 527 (C.D. Ca. 1976), *aff'd*, 599 F.2d 908 (9th Cir. 1979). *See also Westwood Chemical, Inc. v. Dow Corning Corp.*, 189 U.S.P.Q. 649, 666, 678 (E.D. Mich. 1975).

The holdings of previous decisions by the Court of Customs and Patent Appeals (CCPA) are also consistent with the holding in *Sutter Products*. For example, the case, *In re Wertheim*, 646 F.2d 527 (C.C.P.A. 1981), cited in the Petition at page 8, relates to continuation-in-part patent applications. Two inventors had applied for a patent, and there was no substantial evidence that the invention claimed in the application had been invented by someone else before the filing date of the application. Consequently, the CCPA held that the two inventors were entitled to a patent. Such reasoning is fully consistent with the *Sutter Products* holding that prior art that is not well known may be used in a determination of obviousness.

The sole remaining case cited by Petitioner in support of its position is the CCPA decision of *In re Clemens*, 622 F.2d 1029 (C.C.P.A. 1980). In that case, the court was presented with a limited record from an *ex parte* Patent Office proceeding below. The record totally failed to show the actual respective invention dates of the patent applicants and of the art cited by the Patent Examiner. As stated in Gambrell & Krieger, *Prior Art Under 35 U.S.C. Section 102(g)*, in 1981 Patent Law Annual at 274 (The Southwestern Legal Foundation 1981), an article cited at page 7

of the Petition, there was no substantial evidence "which established that the prior invention relied on to reject the claims had been actually reduced to practice before the earliest conception date for the application at issue." Thus, the *Clemens* case only holds that, absent any evidence showing who in fact made the invention first, the doubt should not be resolved against a patent applicant.

Indeed, the CCPA expressly differentiated its holding in *Clemens* from its earlier and more pertinent decision in *In re Bass*, 474 F.2d 1276 (C.C.P.A. 1973) as follows:

> The circumstances of the *Bass* case included clear and conclusive evidence of priority.... In the case at bar, however, there is no such evidence in the record concerning the order in which the inventions in question were made.

In re Clemens, 622 F.2d 1029, 1038 (C.C.P.A. 1980).

> The PTO is of course free to make another rejection, after this decision, should it develop facts that would render such a rejection justifiable.

Id. at 1039 n.20.

The CCPA's earlier *Bass* decision directly analyzed the question involved in the present case and held:

> In view of the foregoing decisions and principles, we rule against appellants and hold that the use of the prior invention of another who had not abandoned, suppressed, or concealed it under the circumstances of this case which include the disclosure of such invention in an issued patent, is available as "prior art" within the meaning of that term in §103 by virtue of §102(g).

In re Bass, 474 F.2d 1276, 1286-87 (C.C.P.A. 1973).

Respondent agrees with the holdings of both *Bass* and *Clemens*. Unlike the fact situation in *Clemens*, however, the present case includes undeniable evidence that the Wingrove prior art had been completed well before the conception of Petitioner's device. Thus, under the virtually uncontradicted rule established by the federal courts prior to the formation of the CAFC, Petitioner's patent is invalid, and this Court has no reason to review the case.

V.

PUBLIC POLICY DEMANDS THAT A PRIOR INVENTION, AS DEFINED BY §102, BE "PRIOR ART" WITHIN THE MEANING OF §103.

Judge Rich's lead opinion in *Bass* acknowledges the difficulty in determining whether an invention is equivalent to the prior art (under §102) or merely constitutes an obvious variation of the prior art (under §103). He succinctly pointed out that "full anticipation situations under §102 shade into obviousness rejections under §103 because of discernible differences." *In re Bass*, 474 F.2d 1276, 1285 (C.C.P.A. 1973).

Accordingly, Judge Rich concluded that he could not sanction an interpretation of the patent statute under which the classification of prior art as either §102 or §103 would have a profound impact on the question of whether an invention is patentable. Under Judge Rich's approach, any art described by §102 is available for determining questions of obviousness under §103.

As a matter of public policy, the approach of Judge Rich and of the courts below in the present case must not be disturbed. Otherwise, uncirculated prior art that is equivalent to a claimed device will render the patent invalid; a slightly different piece of uncirculated prior art, which is not equivalent but does make the patent obvious to a five-year-old, will have no effect on the patent's validity. Such a result makes the patent statute capricious.

Petitioner apparently makes its own public policy argument that prior art that is not well known should not be used because this will make the validity of a patent difficult to determine. Petitioner must realize, however, that the validity of a patent is never certain. Inventors are regularly presumed to know of "publicly available" prior art when, as practical matter, the inventors could not possibly know the information. *See, e.g., Aluminum Co. v. Amerola Products Corp.*, 552 F.2d 1020, 1026 (3rd Cir. 1977)("[i]n determining whether a patented device would have been obvious to a person of ordinary skill in the art, however, a court must assume that the hypothetical artisan had knowledge of all the prior art disclosed at the time of the invention, regardless of whether anyone actually possessed such all-encompassing familiarity with the art"); *In re Winslow*, 365 F.2d 1017, 1020 (C.C.P.A. 1966)(the hypothetical inventor "is presumed to know" the prior art references); *Sheller-Globe Corp v. Milsco Manufacturing Co.*, 206 U.S.P.Q. 42, 66, 70 (E.D. Wis. 1979)(prior art includes a Belgian patent placed in a public reading room and a Netherlands patent application laid open to public inspection), *aff'd*, 636 F.2d 177 (7th Cir. 1980).

Similarly, if two inventors diligently work in complete ignorance of one another and independently develop identical inventions, 35 U.S.C. §102 mandates that only the "first" inventor has the right to obtain a patent. *See Marconi Wireless Telegraph Co. v. United States*, 320 U.S. 1, 34 (1943) ("[i]t is well established that as between two inventors priority of invention will be awarded to the one who by satisfying proof can show that he first conceived of the invention"); *Boyce v. Anderson*, 451 F.2d 818, 820 (9th Cir. 1971) ("[t]he inventor who is first to both conceive the invention and reduce it to practice is awarded priority.... But if the first to conceive the invention is the last to reduce it to practice, he will still be awarded priority if he was diligent in reducing his invention to practice from a time just prior to the second inventor's conception").

The concept of using §102 (g) art to determine obviousness under §103 is consistent with, and no more unfair than, the patent statute's general mandate that only the first inventor is entitled to a patent. Not using §102(g) art in obviousness determinations, however, would capriciously cause validity decisions to depend on whether the claimed device is equivalent to the art or only obvious in light of it.

CONCLUSION

For the foregoing reasons, it is respectfully submitted that this Petition for a writ of certiorari should be denied.

Respectfully submitted,

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